

alleges that the specification does not describe how the value of at least one intellectual property asset is to be determined in step (b). Reconsideration is requested.

The present invention is directed to a novel computer-implemented business method of spreading the risk associated with ownership and transfers of ownership of intellectual property by insuring the value of the intellectual property. Prior known insurance for intellectual property generally is intended to cover patent enforcement fees or patent defense fees. In a particularly preferred form of the present invention, the intellectual property is valued in the context of a transaction such as a purchase, sale, or loan. This embodiment of the present invention combines (1) a "due diligence" analysis of an intellectual property portfolio with (2) an underwriting process supporting an offer to insure the value of the intellectual property.

One step in the method of the invention involves determining a value for the intellectual property asset. The applicant respectfully submits that a variety of valuation approaches can be used with the method of the invention. According to the book Valuing A Business (1996) by Pratt, Reilly and Schweih of Willamette Management Associates, which is a well-known valuation consulting, economic analysis and financial advisory firm in the U.S., intangibles such as intellectual property can be valued using a cost approach, market approach, or income approach. Each of these valuation techniques is described in chapter 24 of the book. In addition to the valuation methods described in the present specification, any of these techniques can be used in step (b) of claim 1 of the present application. Reconsideration is requested.

Claims 2-11, 13, 15-17, 19 and 21 depend from claim 1 and are believed to be patentable for the same reasons as claim 1. Reconsideration is requested.

Claim 22 is rejected under 35 U.S.C. Sec. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. In particular, the Office Action alleges that the specification does not describe in detail how the value of a patent right should be assigned in step (a) and how the likelihood of an unexpected reduction in value of the patent right should be estimated in step (b). Reconsideration is requested.

As indicated above, the book Valuing A Business sets forth techniques for assigning a value to an intangible asset. With regard to estimating reductions in value, this type of prediction is made by patent litigators in assessing the likely outcome of a lawsuit in which the validity of a patent is challenged. The present specification describes factors that may result in a reduction in value of a patent. It is not believed necessary to include in claim 22 a detailed description of such considerations in view of the general knowledge of those skilled in the art to which the invention pertains. Reconsideration is requested.

Claims 1, 5, 6, 9, 10, 11, 15, 19 and 21 are rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett in view of Fox '539 and official notice. Reconsideration is requested.

Bennett discloses insurance that is specifically designed to defray the cost of patent infringement litigation. According to Bennett, in addition to reimbursing a portion of litigation costs, "[t]he loss payable includes the diminution in value of the insured

intellectual property caused by the infringement.” There is no indication in this document that the loss payable includes the diminution in value of insured intellectual property for other causes, such as invalidity, unenforceability, an ownership error, early expiration of rights due to a failure to pay maintenance fees, etc. Furthermore, as noted in the Office Action, there is no disclosure in this document of the steps of (a) obtaining a description of the intellectual property asset, (b) determining a value of the intellectual property to be insured, (c) determining a cost of providing compensation for an unexpected change in value of the intellectual property, or (d) computer-generating an offer to provide compensation.

The Office Action alleges that in view of Fox it would have been obvious to one of ordinary skill in the art of insurance at the time the the applicant's invention to use a computer to generate an offer to provide compensation for at least a portion of any unexpected change in value of the intellectual property. Furthermore, the Office Action alleges that it would have been obvious to one of ordinary skill in the art of insurance at the time the the applicant's invention to follow steps (a)-(c) of claim 1 to insure an intellectual property asset for the advantages of determining (1) whether it would be likely to be profitable to insure the asset and (2) what premiums should be charged. However, the Office Action does not cite any authority which indicates that any insurance company has conducted valuations of intellectual property as part of their insurance underwriting. Thus, the combination of Bennett, Fox and “official notice” does not render obvious claim 1 of the present application. Reconsideration is requested.

Claims 5, 6, 8, 10, 11, 15, 19 and 21 are dependent upon claim 1 and are therefore believed to be patentable for the same reasons as claim 1. Reconsideration is requested.

Claims 2, 7 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bennett in view of Fox '539 and official notice as applied to claim 1 above, and further in view of Friedman. Reconsideration is requested.

The Office Action states that "Friedman teaches that the information that someone possessed of skill in evaluating risks and/or expert knowledge of the risks in a particular case has offered to insure an asset at a stated premium can be valuable even if the offer is not accepted..., and official notice is taken that it is well known to pay consulting fees in exchange for valuable information." However, the Office Action does not cite any authority which discloses an insurance applicant paying for underwriting in order to receive an offer for insurance coverage which would become effective upon payment of a premium. Thus, claim 2 is not obvious in view of the combination of references. Reconsideration is requested.

Claims 7 and 8 depend from claim 2 and are believed to be patentable for the same reasons as claim 2. Reconsideration is requested.

Claim 4 is rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett, Fox, Friedman, and official notice as applied to claim 2 above, and further in view of Harbert. Claim 3 is rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett, Fox, and official notice as applied to claim 1 above, and further in view of Harbert. Harbert discloses insurance policies that pay the cost of a patent infringement lawsuit. Harbert does not indicate that an insurance underwriter values the subject

intellectual property. It is noted that in certain fields of insurance, such as life insurance, the proposed insured party buys what he or she believes is an appropriate amount of insurance. However, neither the insured party nor the insurance company assigns a value to the "life" of the insured individual. Thus, Harbert does not make up for the deficiencies of Bennett, Fox, and the "official notice" relied upon in the Office Action.

Reconsideration is requested.

Claims 13 and 14 are rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett, Fox, and official notice as applied to claim 1 above, and further in view of Cripe. Cripe indicates that companies will sometimes purchase D & O insurance coverage. Cripe does not make up for the deficiencies of Bennett, Fox and the "official notice" described above in response to the rejection of claim 1. Reconsideration is requested.

Claim 22 is rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett in view of Friedman and official notice. Reconsideration is requested.

As indicated above in the discussions of the Sec. 103(a) rejection of claim 1, the office action does not cite any authority which indicates that any insurance company has conducted valuations of intellectual property as part of their insurance underwriting. Friedman is directed to a request for a guarantee relating to the reliability of a new car. Friedman does not make up for the deficiencies in Bennett and the "official notice." Reconsideration is requested.

In view of the above, it is believed that this application is in condition for allowance, and such a Notice is respectfully solicited.

Respectfully submitted,

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